

**INDEPENDENT ACCOUNTANT'S REPORT ON THE
APPLICATION OF AGREED-UPON PROCEDURES
FEDERAL INTRAGOVERNMENTAL ACTIVITY AND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

R. Navarro & Associates, Inc.
Certified Public Accountants

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ACRONYMS

BPD	Bureau of the Public Debt, Department of the Treasury
CFO	Chief Financial Officer
DOL	Department of Labor
FACTS I	Federal Agencies' Centralized Trial-Balance System
FMS	Financial Management Service, Department of the Treasury
GAO	General Accounting Office
OCFO	Office of Chief Financial Officer
OIG	Office of Inspector General
OMB	Office of Management and Budget
RSI	Required Supplementary Information
SGL	Standard General Ledger
TFM	Treasury Financial Manual



INDEPENDENT ACCOUNTANT'S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES

Director, Financial Reports Division
Financial Management Services
Department of the Treasury

We have performed the procedures described in Exhibit I, which were agreed to by the Department of the Treasury's Financial Management Service (FMS), the U. S. General Accounting Office (GAO), and the Office of Management and Budget (OMB) as stated in the FMS Federal Agencies' Centralized Trial Balance System (FACTS) guidance, solely to assist FMS in the preparation of, and GAO in the audit of the consolidated financial statements of the U.S. Government as of and for the year ended September 30, 2003. The Department of Labor's management is responsible for the proper accounting, presentation and reporting of its consolidated financial statements and reporting of information to FMS.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of FMS, GAO and OMB. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our associated findings are presented in Exhibit I.

We were not engaged to, and did not, perform an audit of the matters addressed herein, the objective of which would be the expression of an opinion on such information. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Department of Labor, OMB, FMS and GAO and is not intended to be, and should not be, used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

R. Navarro & Associates, Inc.

February 3, 2004

AGREED-UPON PROCEDURES AND RESULTS
EXHIBIT I

Procedure 1

Review the electronic file provided by the agency CFO of the responses to the intragovernmental reciprocal account categories of the CFO Representations for fiduciary and non-fiduciary transactions as described in the Treasury Financial Manual (TFM), Section 4060.70. For each "Yes" response, perform the following steps:

- Compare the amounts in such reconciliations to supporting documentation. Indicate if no differences were found. Explain in detail any differences.
- Trace the adjustments, if any, identified in the reconciliation process that require recognition on the books of the reporting entity (rather than on the books of the trading partner) to documentation supporting the recording of such amounts in the agency's financial records. Indicate if no differences were found. Explain in detail any differences.

Results:

- *No differences were found.*
- *No adjustments were made requiring recognition on the books of the Department of Labor.*

Procedure 2

Review the electronic file provided by the agency CFO of the responses to the CFO Representations for reconciliation of intragovernmental activity and balances. For each "Yes" response, perform the following step:

- Compare the amounts, excluding intradepartmental activity and balances, in the audited agency consolidated financial statements to such amounts in the agency final FACTS I and/or FACTS I NOTES reports. Indicate if no differences were found. Explain in detail any differences.

Results:

- *No differences were found.*

Procedure 3

Review the "Status of Disposition of Identified Differences" form on intragovernmental activity reported in FACTS I (provided by the CFO). Comment indicating your agreement, or disagreement, with the data provided by the CFO.

Results:

- *We agree with the information provided by the CFO explaining the disposition of differences.*